

**FINAL PROJECT PLAN
AND REINVESTMENT ZONE FINANCING PLAN
FOR**

**REINVESTMENT ZONE NUMBER 7
CITY OF SAN ANTONIO, TEXAS**

BROOKSIDE



**Prepared by:
City of San Antonio**

**November 15, 2001
Amended**

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I. EXECUTIVE SUMMARY

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I. EXECUTIVE SUMMARY

The City of San Antonio proposed to use Tax Increment Financing (TIF) as a tool to facilitate the development of an approximately 86.8 acre tract of land, which will contain approximately 371 affordable and market rate single-family homes and approximately 301 lots. The residential project will be known as Brookside. Of the planned residential development, houses will range in price from \$ 65,000 to \$115,000.

The proposed Brookside development is located in the Southeast sector of San Antonio. The property is in close proximity to the intersection IH -37 and Loop 410. The developer of the property is Bridle Bit Corporation.

The developer's capital cost incurred for public infrastructure improvements is \$2,465,926 plus interest cost of 5.46% that equals \$1,138,938. The proposed cost for administrative expenses is \$153,500, totaling \$3,758,364. The proposed public improvements of this project include streets, water, sewer, overhead electric, utilities, sidewalks, drainage, engineering/surveying fees, and park improvements. A payment bond is provided by Surety Continental Casualty Company in the amount of \$143,358.50.

Participation from the City of San Antonio, Bexar County, and Alamo Community College District is being requested.

The Board of Directors for Brookside Tax Increment Reinvestment Zone No. 7 met on Thursday, September 6, 2001, and approved amendments to the attached Final Project and Financing Plan. Previously, the Brookside Board of Directors met on Tuesday, December 14, 1999, and approved a Final Project and Financing Plan. The TIRZ has been calculated to be paid out in 13.91 years, at which time the zone will be dissolved, in September 2013.

In summary, the proposed Brookside TIRZ will enable the developer to provide approximately 371 single-family homes. Additionally, the TIRZ will enhance the quality of life for the residents of the neighborhood, and the City will gain a self-sustaining, single-family neighborhood in the spirit of the initiatives set by the Community Revitalization Action Group (CRAG).

II. PROJECT PLAN

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II. PROJECT PLAN

A. Overview

The Brookside TIRZ will provide the financing needed to develop approximately 371 single-family homes and approximately 301 lots on the south side of San Antonio. The development will help to increase area population, provide additional housing, and improve the use of Brooks Park. The development is located adjacent to the 1999 Winter Parade of Homes.

The Project Plan and the Financing Plan provide for the funding of streets, water, sewer, overhead electric, utilities, sidewalks, and drainage improvements for the single-family development. The drainage improvements will be designed and built to enhance the livability of the neighborhood.

The use of drainage ways as landscaped and/or recreational facilities is supported by the City's Master Plan. Urban Design Policy 3b calls for the development of a system of parks and hike and bike trails that incorporate drainage ways and open space to link parks, schools, institutions and neighborhoods.

The site plan indicates a grid street pattern. This pattern is supported by the Master Plan which encourages "street patterns that promote multiple pedestrian and vehicular access and do not contribute to collector street congestion" (Urban Design: Policy 1c).

The majority of the about 86.8 acre tract will be dedicated for approximately 371 single family homes ranging in price from \$65,000 to \$115,000 and an average lot size of 6,000 square feet. The projected completion date for the project is about 9 years.

The San Antonio Housing Trust Corporation is working to facilitate new home sales for families at or below 120 percent of the area median income as well as families which have accrued credit problems. Upon sale of lots, builders will be notified of the services available through the Housing Trust Corporation. Builders will be encouraged to send all potential buyers who do not qualify through their mortgage companies for either income or credit reasons to the Housing Trust Corporation.

As part of project development, the Brookside Neighborhood Association has been kept apprised about the proposed TIRZ. The need for community involvement in the development of infill projects is stressed in the City's Master Plan (Urban Design: Policy 1d).

The use of the TIRZ will enable the developer to create a residential development that will help to increase area population, provide additional housing and attract additional investment. Without the creation of the TIRZ, the development would not be financially feasible. The TIRZ funds will provide for a reduction in costs necessary to price homes in a range that reflects the demographics and income levels of the region.

B. Boundaries

The TIRZ is located about 7 miles southeast of downtown San Antonio and within close proximity to the intersection of IH-37 and Loop 410. The TIRZ is roughly bound by Brooks Air Force Base to the north, Goliad Road, Brooks Park, Calera Street, La Garde Street, and Palos Street to the east, the property lot line between Lebanon and Sligo Streets to the south, and Siluria Street to the west. The TIRZ is located within the East Central Independent School District. The location of the zone is shown in Exhibit A: Vicinity/School Districts Map. The boundaries of the zone are shown in Exhibit B: Boundary/Floodplain Map. A legal description of the property is found in the Appendices of the plan.

C. Land Use and Existing Conditions

Area Land Use

To the north of the site, the land uses include the Brooks Air Force Base and Brooks Park (a city recreational facility). The TIRZ is bounded on the east and south by the remainder of the Brookside subdivision. The subdivision includes residential uses and vacant lots. East of Goliad Road, the land uses include the Indian Hills Mobile Home Park and vacant land. Some commercial land uses are found between San Juan Road and Loop 410. The TIRZ is bounded on the west by property owned by Texas A&M University.

According to the 1990 Census, the median housing value for the census tract where the zone is located is \$46,800. The 1990 citywide median housing value is \$49,700. About 82 percent of the housing in the tract is owner-occupied compared to 54 percent for the city as a whole.

Current Site Conditions

The zone includes about 86.8 acres of undeveloped land. Access to the TIRZ is provided from Goliad Road, which serves as a transportation artery in the area. South Presa Road is located southwest of the TIRZ. South Presa Road is identified as a Secondary Arterial Type A in the Major Thoroughfare Plan. The TIRZ also is located within close proximity to the intersection of IH-37 and Loop 410.

The development of the property will require funding of street excavation and installation, curbing, grading, drainage structures and channels, sidewalks and approaches, natural gas, sewer, water, street lighting and electric service. The TIRZ is not located within the 100 year FEMA floodplain (see Exhibit B: Boundary/Floodplain Map and Exhibit D: Site Plan).

Current Economic Conditions

The TIRZ is located in Census Tract 1416. The population for this census tract more than doubled between the 1980 Census (447) and the 1990 Census (987). The tract grew by

121 percent between 1980 and 1990 while the city as a whole grew by 19 percent (from 786,023 to 935,933). According to population estimates developed by Claritas Corporation, the tract is projected to have a 1998 population of 1,216 persons. This figure represents a 23 percent growth over the 1990 Census figure. In comparison, Claritus projected a 25 percent increase in population for the entire city of San Antonio.

According to Claritus data, the 1998 median household income in the Census tract is \$40,300 compared to a 1998 citywide median household income of \$30,585.

A breakdown of the 1998 population, based on projections provided by Claritus, follows:

<i>Ethnicity</i>	<i>Census Tract 1416 % of 1998 Population</i>	<i>Citywide % of 1998 Population</i>
Anglo	12%	30%
Black	3%	6%
Hispanic	84%	62%
Other	1%	2%

A portion of the eastern boundary of the zone is Goliad Road which serves as a transportation artery. South Presa Road, identified as a Secondary Arterial Type A in the Major Thoroughfare Plan, is located southwest of the TIRZ. The TIRZ also is located within close proximity to the intersection of IH-37 and Loop 410. The TIRZ is located on the southside of Brooks Air Force Base, a major employer.

D. Project Plan Objective

The objective of the plan is to develop the majority of about 86.8 acres of land into approximately 371 single-family homes. The development would not occur without the TIRZ. The TIRZ funds will provide for a reduction in costs necessary to price homes in a range that reflects the demographics and income levels of the region.

E. Relocation

The Plan does not call for the relocation or displacement of residents.

F. Municipal Ordinances

In addition to compliance with ordinances directly associated with the development of a TIRZ, the proposed development will comply with local codes and ordinances.

The property currently is zoned B (Residence District). No zoning change is necessary for the proposed development. However, the Planning Department would recommend re-zoning the property to the 1965 zoning code.

In keeping with the Master Plan, the City has worked with developers in past projects to create design guidelines for appropriate infill. These design guidelines are developed to

“complement the architectural design and character of the neighborhood” when designing new housing (Neighborhoods: Policy 4a). The same standards of review apply to the proposed TIF project.

The Master Plan also calls for efforts to facilitate the provision of choice in housing for special needs populations (Neighborhoods: Policy 4d). Efforts to meet this policy could include ensuring homes are visitable or easily adaptable to disabled persons. Policy 4i requires the community to explore the full range of options to allow people to remain in their homes throughout their lives. The Fair Housing Act Amendments of 1988 and Section 504 of the Rehabilitation Act of 1973 complement the Master Plan Policies by requiring accessibility in all new multi-family housing. An even stronger incentive for assuring housing is universally designed to allow all people to live in the neighborhood of their choice is Senate Bill 623 established in the last legislative session. This legislation requires that all single family affordable housing funded in whole or in part by state or federal funds must be designed to be universally usable to all people regardless of age or disability. The necessary design guidance to achieve this part of the legislation will become effective September 1999.

The project developer also will continue to provide for community involvement in the development of the proposed infill project (Urban Design: Policy 1d).

The proposed project does not conflict with the Major Thoroughfare Plan.

G. Non-Project Costs

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IV. ECONOMIC FEASIBILITY

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Important to the success of this particular residential development is its ability to capture a share of the local and regional growth as well as successfully compete with comparable housing product. Reviewing the components of a project's economic feasibility includes trends that affect short and long term demand for this product. Economic and market factors reviewed include demographic and housing data, existing housing conditions, sales, and new construction as well as population mobility. The scope of the work includes an analysis of these factors for the market area against the larger community. Data provided has been aggregated at the census tract, and the city as a whole.

A review of housing resource material utilized by the City for a variety of projects, including the Empowerment Zone application, indicated the 1990 Census data as a primary reference. In order to use the most current data applicable, staff selected as a resource, the 1995 Housing Market Study for San Antonio issued by the U.S. Department of Housing and Urban Development and the U.S. Department of Commerce entitled, American Housing Survey for the San Antonio Metropolitan Area. The study presents a collection of information that profiles the housing conditions for the City. According to the study, the median housing value for owner occupied units, as of 1995 was approximately \$62,577. Median unit size was 1,593 square feet with six (6) rooms; three (3) bedrooms/ two (2) baths. Monthly housing costs, including all mortgages plus maintenance costs, was estimated to be \$502, roughly 20% of current household income.

The City of San Antonio has adopted a policy to encourage the provision of safe, decent, comfortable, and affordable housing as a reality for all the citizens of San Antonio. Tax Increment Financing (TIF) is a mechanism that promotes the City's goals by providing reimbursement to the developer for public improvements related to the construction of residential or commercial developments that meet delineated criteria as set forth in the application. Reimbursable expenses include: development of plans and design for public improvements, acquisition of property for public uses, and related costs for due diligence, financing, administration, site preparation, utilities, street lights, pedestrian walkways, parks, drainage facilities, water/sewer facilities, education facilities, and parking facilities. The purpose of TIF is to reduce overall development costs for the developer, thereby encouraging development that might not otherwise have happened given existing market conditions.

The Brookside Tax Increment Reinvestment Zone (TIRZ) proposed development will take place on the near the intersection of IH 37 S. and Loop 410. The majority of the about 86.8 acres will include approximately 371 single-family homes to range in price from \$65,000 to over \$115,000. It is the expectation of the developer to provide long term improvements to the area via the infusion of capital benefits of quality affordable housing, an increase in property values, an injection of new homeowners in the area, and catalyst for others in the area to make improvements to their real property. Proposed improvements include streets, water, sewer, overhead electric, utilities, sidewalks,

drainage, and park improvements designed to enhance the livability of the neighborhood as well as landscaping, basketball, and youth facilities.

Market Area Profile

Population **

	1980	1990	1998
TIRZ	447	987	1,216
City	786,023	935,933	1,171,700

The city of San Antonio has been experiencing consistent growth in population of the past 30 years as well as a significant increase since 1980, and further, is projected to increase by another 10% by the year 2004.

Change in Population Percentages**

	1980-1990	1990-1998
TIRZ	121%	23%
City	19%	25%

The area of the Brookside development has experienced an explosion of population in the area since 1980, indicating a trend and interest in relocation to the area forecasting an increase in demand for housing.

Age

	1990	1998
0-17 yrs	40%	38%
18 - 64 yrs	57%	57%
65+ yrs	3%	5%
Median Age	25.1 yrs	26.9 yrs

The age of the population within the TIRZ area reflects a youthful community. Figures indicate that more than half of the population are eligible members of an active workforce with income earning potential. The table also indicates an increasing number of persons under the age of 17 years with less than 5% of the population age 65 years or older. This suggests a potential for a youthful prosperous community as the younger population continues to outpace the other age categories.

Educational Attainment

	TIRZ	City
Less than 12 th grade	23%	31%
H.S. Graduate	35%	24%
Some College	27%	27%
Bachelor Degree	9%	12%
Graduate + Degree	6%	6%

The area surrounding the proposed development has a population where greater than half of all adults have achieved at least some secondary education.

Median Household Income

	TIRZ	City
1990	\$30,200	\$23,584
1998	\$40,300	\$30,585

Educational attainment is considered a direct factor in determining subsequent income potential. This is evidenced in the median household income for this area in 1998 being at \$40,300, which is above the median income for the city of San Antonio for that same year. As a percent of average household income, 20% is typical dedicated to mortgages and related expenses. This would result in the average homebuyer in this area being able to afford \$ 671 a month to be dedicated to housing.

The number of families in the TIRZ area is approximately 253 with an average household size of 3.51. Of the 253 families in the market area 69% are married couples, which is higher than the city's overall percentage at 51%

Current Housing Stock

The average age of the housing stock in the area is approximately 19 years old and valued at \$46,800. These figures reflect median values for owner occupied units. The combined rental and vacant units comprise less than 20% of the area's housing.

YTD Sales Closed for Market Area

	Median Sales Price	Sales Price per sq ft	New Listings	Active Listings	Pending Sales	Days on Market
1998 YTD	\$46,800	\$37	296	115	182	99
1999 YTD	\$50,300	\$40	315	132	243	69

According to resale activity obtained from the San Antonio Board of Realtors, sales for 1999 year through June, records 243 sales with a median sales price of \$ 50,300. Active listings as well as sales price per square foot have remained constant. Sales per square foot have increased from \$37 to \$40. These figures reflect sales of existing housing stock. Figures indicate that there is a demand for housing product in this location and price range.

The proposed Brookside subdivision would be providing homes priced between \$65,000 and \$115,000 and would not deviate drastically from current market activity. Instead offering housing opportunities in an area that is experiencing continued growth.

Mobility

Within the TIRZ and census tract 60% of the persons have resided in their homes for over 5 years, which reflects the recent migration and growth in the area. The 1995 American Housing Survey of the San Antonio Metropolitan Area cites the following as primary reasons for relocation and choice of residence.

Reasons for Leaving Previous Residence

	% of Total Surveyed
New job or job transfer	19%
To establish own household	15%
Needed larger house	13%
Other, family/person related	10%
Wanted better home	10%
Change from renter to owner	7%
Other	33%

The primary reason for change of residence listed is job opportunity followed closely by the desire to establish own household. The remaining considerations can be related to improvements in personal finances and good general economic conditions.

Choice of Present Neighborhood

	TTL Surveyed
Convenient to job	25%
Convenient to friends/relatives	20%
Looks/design of neighborhood	19%
House was most important decision	18%
Good schools	10%
Convenient to leisure activities	4%
Convenient to public transportation	3%
Other	1%

Respondents surveyed indicated the primary reason for selecting a particular neighborhood for their current resident is convenience to job. This is followed closely by proximity to support groups defined as friends and relatives. Quality of schools did not rank in the top 3 reasons. Convenience to leisure activities and public transportation was considered less important.

A brief sampling of city services is listed below:

Elderly & Disabled Services / Comprehensive Nutrition Sites

Mission San Jose
Presa Senior Center

Literacy Services Division

Bob & Jeannie Billa LLDC

Youth Services Division

Southside Center

Delegate Agency Sites

Avance-SA Chapter, Southside Parent-child Education

These entities are expected to meet the needs of anticipated growth in residents. This area is highly mobilized and active in matters concerning the community. Formal organizations include the Brookside Neighborhood Association, which is in support of this development.

V. BOARD OF DIRECTORS

BROOKSIDE TIRZ BOARD OF DIRECTORS

Fred Elsner (Developer)
Bridle Bit Corporation
5260 Rittiman Road
San Antonio, Texas 78218
(210) 662-6607; fax 662-9661

Lance F. Elliott (Chairman)
S.A. Research
8901 Broadway, Suite 315
San Antonio, Texas 78209
(210) 804-1919; fax 804-1904

Robert Jodan
Neighborhood Housing Services of San Antonio
851 Steves Avenue
San Antonio, Texas 78210
Fax 533-0923

Ruben Pena
Wakefield Realtors
2823 East Southcross
San Antonio, Texas 78223
(210) 533-7253, ext 148; fax 533-1728

Russell Hays
Bridle Bit Corporation
5260 Rittiman Road
San Antonio, Texas 78218
(210) 662-6607; fax 662-9661

Cindy Taylor
President
South San Antonio Chamber of Commerce
4100 S. New Braunfels
San Antonio, Texas 78223
(210) 533-5867; fax 532-7788

The Honorable Carlos I. Uresti (Director)
State Representative, District 118
1114 SW Military Drive, Suite 103
San Antonio, Texas 78221
Phone (SA): 210/932-2568; Fax: 210/932-2572
Austin Ph. : 512/463-0714; Fax: 512/463-1448

Vicent Lazaro (ACCD – Designee by Senator)
The Honorable Frank Madla
State Senator, 19th Senatorial District
1313 SE Military Drive, Suite 101
San Antonio, Texas 78214
Phone (SA): 210/927-9464; Fax: 210/922-9521
Austin Ph. : 512/463-0119; Fax: 512/463-1017

The Honorable Robert Tejeda (Director)
County Commissioner, Precinct #1
Bexar County Courthouse
100 Dolorosa Street, Suite 101
San Antonio, Texas 78205
Phone: 210/335-2611; Fax: 210/335-2215